



STAFF ANALYSIS

STATE PUBLIC WORKS BOARD

***Friday, August 16, 2019 at 10:00 a.m. in
Room 113, State Capitol, Sacramento, California***

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Pursuant to section 11125 of the Government Code, notice of all Board meetings will be given at least ten days in advance and such notice must include a copy of the agenda. Members of the Public may address the Board prior to it taking action on any matter in the agenda.

This notice and the Board agenda for the current month are available on the Internet at: <http://www.spwb.ca.gov>.

Individuals who need disability-related accommodation, including auxiliary aids for effective participation at this public meeting are invited to make their requests and preferences known to Kathryn Lee at (916) 445-9694 or e-mail to Kathryn.lee@dof.ca.gov, five days prior to the meeting.

BOND ITEMS

BOND ITEM—1

CALIFORNIA HIGHWAY PATROL (2720) SAN BERNARDINO AREA OFFICE REPLACEMENT SAN BERNARDINO COUNTY

*Authority: Chapter 318, Statutes of 2016, Item 2720-301-0044(5)
Chapters 23 and 55, Statutes of 2019, Items 2720-301-0044(4) and
2720-301-0660(3)*

Consider adoption of a resolution to:

1. Authorize actions to be taken to provide for interim financing and declare the official intent of the Board to reimburse certain capital expenditures from the Public Buildings Construction Fund from the proceeds of the sale of bonds.
2. Authorize the sale of lease revenue bonds.
3. Approve the form of and authorize the execution and delivery of a Project Development Agreement between the Department of General Services, with consent of the California Highway Patrol, and the Board.
4. Authorize and direct Executive Director and Deputy Directors to take any and all such actions and to execute and deliver any documents as may be necessary to carry out the purpose of this resolution.

Total Bond Appropriation

\$41,981,000

STAFF ANALYSIS—1

California Highway Patrol
San Bernardino Area Office Replacement
San Bernardino County

Action Requested

If approved, the requested action would adopt a resolution authorizing actions to be taken to provide for interim financing, authorize the sale of lease revenue bonds, and other related actions.

The Legislature has authorized the Board to issue lease revenue bonds to finance certain costs for this project. It is anticipated that certain capital expenditures will need to be made prior to the Board issuing bonds for this project. The proposed resolution will authorize actions to be taken to cause interim loans to be made from the General Fund or the Pooled Money Investment Account to pay for these costs. The proposed resolution also authorizes the sale of lease revenue bonds for the reimbursement of capital expenditures for the project and repayment of the interim loans.

Scope Description

This project is within scope. This project acquired a 5.3 acre site in November 2017 to construct a 43,552 net square feet single story main building with attached auto service bays built to essential services building standards. The project includes public parking for the main building and secured covered parking for the patrol vehicles. Additional site improvements include fencing, flagpole, fuel island canopy, emergency generator, communication tower, landscaping and utilities.

Funding and Cost Verification

The project is within cost. The Budget Act of 2016 provides \$5,369,000 for the acquisition and performance criteria phases and the Budget Act of 2019 provides an additional \$445,000 for performance criteria as well as \$41,981,000 for design-build.

\$47,594,000 Total authorized project costs

\$47,594,000 Total estimated project costs

\$5,168,000 Costs previously allocated: \$3,684,000 acquisition and \$1,484,000 performance criteria

\$41,981,000 Costs to be allocated: \$41,981,000 design-build (\$34,749,400 contract, \$1,042,000 contingency, \$2,118,000 A&E, \$3,665,000 other and \$407,000 agency retained)

\$636,000 Project savings: \$183,000 acquisition and \$483,000 performance criteria

CEQA

A Notice of Determination was filed by the California Highway Patrol with the State Clearinghouse on May 23, 2018, and the 30-day statute of limitations expired without challenge.

Real Estate Due Diligence

A Summary of Conditions Letter for this project was completed by the Department of General Services on July 31, 2019, and no issues that would adversely affect the beneficial use and quiet enjoyment of the project were identified.

Project Schedule

Approve performance criteria	July 2018
Start design-build	October 2019
Complete design-build	May 2022

Staff Recommendation: Adopt resolution.

BOND ITEM—2

DEPARTMENT OF FORESTRY AND FIRE PROTECTION (3540) PINE MOUNTAIN FIRE STATION: RELOCATE FACILITY TULARE COUNTY

*Authority: Chapters 171 and 172, Statutes of 2007, Item 3540-301-0001(3) as reappropriated by the Budget Act of 2010
Chapter 712, Statutes of 2010, Item 3540-301-0660(3) as reappropriated by the Budget Acts of 2012, and 2016
Chapters 25 and 663, Statutes of 2014, Item 3540-301-0660(15) as reappropriated by the Budget Act of 2016
Chapters 23 and 55, Statutes of 2019, Item 3540-301-0660(5)*

Consider adoption of a supplemental resolution to:

1. **Authorize actions to be taken to provide for interim financing and declare the official intent of the Board to reimburse certain capital expenditures from the Public Buildings Construction Fund from the proceeds of the sale of bonds.**
2. **Authorize the sale of lease revenue bonds.**
3. **Authorize and direct Executive Director and Deputy Directors to take any and all such actions and to execute and deliver any documents as may be necessary to carry out the purpose of this resolution.**

Total Bond Appropriations

\$10,706,883

STAFF ANALYSIS—2

Department of Forestry and Fire Protection
Pine Mountain Fire Station: Relocate Facility
Tulare County

Action Requested

If approved, the requested action would adopt a supplemental resolution authorizing actions to be taken to provide for interim financing, authorize the sale of lease revenue bonds, and other related actions.

A supplemental resolution for this project was approved at the July 12, 2019 Board meeting. However, the authorities cited in the July 12, 2019 resolution were incorrect. This action would adopt a supplemental resolution that includes the correct authorities cited for this project.

Scope Description

This project is within scope. The approved project scope includes construction of an approximately 6,000 square foot prototypical single-building, 1-Engine fire station, a generator/pump/storage building, transfer switch and fuel supply, a water treatment building, various site improvements, and all appurtenances.

Funding and Cost Verification

This project is within cost. Total lease revenue bond authority is \$10,706,883. Other fund sources (excess proceeds) were identified to cover the cost of preliminary plans and working drawings in the amount of \$1,311,000. Therefore, interim financing is requested for the remaining \$9,395,883 needed to complete construction.

\$11,099,883	Total authorized project costs
\$10,969,000	Total estimated project costs
\$ 1,487,883	Costs previously allocated: \$393,000 acquisition, \$582,000 preliminary plans, \$512,883 working drawings.
\$ 9,481,117	Costs to be allocated: \$211,117 working drawings, \$9,270,000 construction (\$7,696,000 contract, \$385,000 contingency, \$622,000 A&E, \$527,000 other project costs, and \$40,000 agency retained)
\$130,883	Anticipated savings

CEQA

The California Department of Forestry and Fire Protection (CalFire) filed a Notice of Determination (NOD) with the State Clearinghouse on April 15, 2015, and the 30-day statute of limitations expired without challenge. CalFire indicated no changes to the project have occurred warranting a CEQA update.

Real Estate Due Diligence

The Department of General Services completed a Summary of Conditions Letter for this project on June 15, 2015. The letter identified approximately 5 acres encumbered by the Williamson Act. Upon consultation with counsel it was determined the project is a compatible use of the project site under the Williamson Act and a related Land Conservation Contract. Therefore, it has been determined the provisions of the Williamson Act and the Land Conservation Contract, as they relate to this site, will not adversely affect the beneficial use and quiet enjoyment of this project.

In an effort to clear up future questions or concerns related to this issue, a Notice of Partial Non-Renewal of Land Conservation Contract was recorded on August 18, 2015. The Notice of Partial Non-Renewal starts the phase out of the contract over a 10 year period. Therefore, the contract will terminate in 2025 and will no longer encumber the property. No other issues adversely affecting the beneficial use and quiet enjoyment of this Project were identified.

Project Schedule

Approve preliminary plans	August 2015
Complete working drawings	August 2019
Start construction	January 2020
Complete construction	March 2021

Staff Recommendation: Adopt supplemental resolution.

BOND ITEM—3

DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225) LOCAL YOUTHFUL OFFENDER REHABILITATIVE FACILITY PROJECT ORANGE COUNTY

Authority: Sections 1970 – 1978 of the Welfare Institutions Code (SB 81)

Consider adoption of a resolution to:

1. **Authorize actions to be taken to provide for interim financing and declare the official intent of the Board to reimburse certain capital expenditures from the Public Buildings Construction Fund from the proceeds of the sale of bonds.**
2. **Authorize the sale of lease revenue bonds.**
3. **Authorize and direct Executive Director and Deputy Directors to take any and all such actions and to execute and deliver any documents as may be necessary to carry out the purpose of this resolution.**

Total Bond Allocation

\$17,500,000

STAFF ANALYSIS—3

Department of Corrections and Rehabilitation
Local Youthful Offender Rehabilitative Facility Project
Orange County

Action Requested

If approved, the requested action would adopt a resolution authorizing actions to be taken to provide for interim financing, authorize the sale of lease revenue bonds, and other related actions.

The Legislature has authorized the Board to issue lease revenue bonds to finance a portion of certain costs for various county correctional projects. Under this authority, a county is provided a conditional award by the Board of State and Community Corrections (BSCC) to receive funding and is responsible for costs above the amount of the conditional award. The BSCC provided a conditional award to the county and it is anticipated that certain capital expenditures will need to be made prior to the Board issuing bonds for this project. The proposed resolution will authorize actions to be taken to cause interim loans to be made from the General Fund or the Pooled Money Investment Account to pay for these costs. The proposed resolution also authorizes the sale of lease revenue bonds for the reimbursement of capital expenditures for the project and repayment of the interim loans.

Scope Description

This project is within scope. The project includes the design and construction of a new building on approximately 1.2 acres of county-owned land adjacent to the county's existing Juvenile Hall and Youth Leadership Academy in the City of Orange.

The new building will replace the existing visitor center and will primarily operate as a visitation facility with contact and non-contact areas, flexible program space, and a gymnasium. Additionally, the facility will provide administrative space, control room, male and female locker rooms, fitness room, serving kitchen, outdoor recreation space, and visitor parking.

This project will include, but is not limited to, electrical; plumbing; mechanical; heating, ventilation, and air conditioning; security; fire protection systems, and other appurtenances for building operations.

Funding and Project Cost Verification

Section 1973 of the Welfare and Institutions Code appropriates \$294,101,545 lease revenue bond authority to partially finance the construction of local youthful offender rehabilitative facilities. Award of this funding to individual counties is administered through the Board of State and Community Corrections (BSCC). The BSCC has conditionally awarded \$17,500,000 from this appropriation to Orange County for this project. All of the acquisition/study and design costs and any construction costs in addition to this award amount will be paid by the county.

On November 15, 2016, the Board established the project with a total estimated project cost of \$24,397,000. On March 2, 2017, the Board approved preliminary plans for this project with a total estimated project cost of \$24,397,000. On May 10, 2019, the Department of Finance approved working drawings and authorized the county to proceed to bid with a total estimated project cost of \$24,397,000.

\$24,397,000 Total authorized project costs

\$24,397,000 Total estimated project costs

\$17,270,000 State costs previously allocated: \$17,270,000 for construction (\$15,772,000 contract and \$1,498,000 contingency)

\$7,127,000 Local costs previously allocated: \$1,854,000 for acquisition/study, \$1,411,000 for preliminary plans, \$1,455,000 for working drawings, \$2,407,000 for construction (\$953,000 A&E, \$1,186,000 other project costs, and \$268,000 agency retained)

CEQA

A Notice of Determination was filed by the County of Orange with the Orange County Clerk on September 20, 2016, and the 30-day statute of limitations expired without challenge.

Real Estate Due Diligence

A Summary of Conditions Letter for this project was completed by the Department of General Services on March 29, 2017, and no issues that would adversely affect the beneficial use and quiet enjoyment of the project were identified.

Project Schedule

Approve preliminary plans	March 2017
Complete working drawings	May 2019
Start construction	September 2019
Complete construction	April 2021

Staff Recommendation: Adopt resolution.

MINUTES

Consider approving the minutes from the July 12, 2019 meeting.

Staff have reviewed the minutes from the July 12, 2019 meeting and recommend approval of the meeting minutes.

Staff Recommendation: **Approve minutes from the July 12, 2019 meeting.**

CONSENT ITEMS

CONSENT ITEM—1

**JUDICIAL COUNCIL OF CALIFORNIA (0250)
NEW EAST COUNTY HALL OF JUSTICE
ALAMEDA COUNTY**

*Authority: Sections 70371.5 and 70371.7 of the Government Code
Chapter 712, Statutes of 2010, Item 0250-301-3138(1), as reappropriated by
Chapters 21 and 29, Statutes of 2012 and as amended by Chapter 5,
Statutes of 2013
Chapter 25, Statutes of 2014, Item 0250-301-3138(.5)*

Consider:

- a) Consenting to a proposed amendment to the Project Development Agreement.**
- b) Authorizing the Executive or Deputy Director to sign all necessary documents to effectuate the consent.**

STAFF ANALYSIS—1

Judicial Council of California
New East County Hall of Justice
Alameda County

Action Requested

If approved, the requested action would consent to a proposed amendment to the Project Development Agreement and authorize the Executive or Deputy Director to sign all necessary documents to effectuate the consent.

Scope Description

The project is within scope. The 2012 Budget Act reappropriated \$50 million from the Immediate and Critical Needs Account (ICNA) to acquire an equity interest in the state's portion of the New East County Hall of Justice (Project) and authorized the Judicial Branch (Branch) to enter into a Lease Purchase Agreement (LPA) with the County of Alameda (county) to develop and finance the Project, with annual lease payments to be made by the Branch to acquire the balance of equity in the project. Under the LPA, equity interest would not transfer until retirement of county bonds.

The 2014 Budget Act shifted the Project from an LPA to a cash-funded acquisition, utilizing a loan from the ICNA to avoid unnecessary and potentially costly risks related to the LPA, and to lower the long-term cost of the project. The 2014 Budget Act also authorized the Branch to

acquire the state's portion of the Project from the county upon completion of the construction of the two-wing building complex that includes a five-story courthouse of approximately 146,435 building gross square feet (BGSF), with 13 courtrooms and a county wing to house county judicial partners including Public Defender, Probation, and District Attorney offices of 42,276 BGSF, connected by a shared elevator/security lobby of 7,508 BGSF, for a total of approximately 196,219 BGSF in the City of Dublin, Alameda County. The county managed the design-build Project.

The Project replaced a total of 13 courtrooms—six courtrooms were from the leased Gale-Schenone Hall of Justice in Pleasanton and seven courtrooms from the Allen E. Broussard courthouse in Oakland. The court functions previously located in the Broussard facility were temporarily relocated to three facilities—the Rene C. Davidson Courthouse in Oakland, the County Probation Center in Oakland, and the Berkeley Courthouse. The Court was able to occupy the new courthouse in May 2017, but the project's final completion was in June 2017.

Funding and Cost Verification

This project is not within cost. The original estimated total project cost was \$147.5 million, which consisted of \$122 million in state funds and \$25.5 million in county funds. Subsequent to the original cost estimate, an updated estimated total project cost was prepared and increased to \$152.9 million, consisting of \$124.8 million in state funds and \$28.1 million in county funds—an increase of \$2.8 million in state funds. This excludes \$600,000 to address legal and real estate due diligence costs to prepare the necessary agreements related to this transaction paid for by the state. A total of \$85.7 million was contributed towards direct project costs from a variety of sources: \$49.4 million from the Immediate and Critical Needs Account (authorized in 2010 Budget Act and reappropriated in 2012 Budget Act), \$20.8 million from local court civil assessments, and \$15.5 million from the local Courthouse Construction Funds (county funds – includes an increase of \$2.8 million). The remaining \$39.1 million was funded by a loan from the ICNA. Beginning in FY 2014-15, and annually thereafter, the following sources will be used to repay the \$39.1 million loan from ICNA in increments of \$5.4 million:

- \$2.5 million – Local Courthouse Construction Funds (county funds)
- \$2.0 million – Alameda Court Civil Assessments (JCC-Fund 0932)
- \$903,000 – Gale Schenone Rent (JCC-Fund 3066)

\$147,512,000 Total authorized project costs

\$152,933,000 Total estimated project costs

\$122,012,000 State costs previously allocated: \$122,012,000 for acquisition

\$ 25,500,000 Local costs previously allocated: \$25,500,000 for acquisition

\$ 2,810,000 State costs to be allocated: increase of \$2,810,000 for acquisition

\$ 2,611,000 Local costs to be allocated: increase of \$2,611,000 for acquisition

CEQA

A Notice of Determination was filed by the Judicial Council with the State Clearinghouse on June 22, 2010, and the 30-day statute of limitations expired without challenge.

Real Estate Due Diligence

A Summary of Conditions Letter for this project was completed by the Judicial Council on April 21, 2014, and no issues that would adversely affect the beneficial use and quiet enjoyment of the project were identified.

Project Schedule

Transfer of title is anticipated to occur in September 2019.

Staff Recommendation: **Consent to proposed amendment and authorize Executive or Deputy Director to sign all necessary documents needed to effectuate the consent.**

CONSENT ITEM—2

CALIFORNIA GOVERNOR'S OFFICE OF EMERGENCY SERVICES (0690) RELOCATION OF RED MOUNTAIN COMMUNICATIONS SITE DEL NORTE COUNTY

*Authority: Chapter 25, Statutes of 2014, Item 0690-301-0001(1)
Chapters 10 and 11, Statutes of 2015, Item 0690-301-0001(1) and
reappropriated by the Budget Acts of 2016, 2017, 2018 and 2019
Chapters 14, 22, and 54, Statutes of 2017, Items 0690-301-0001(1)
Chapters 29, 30, and 449, Statutes of 2018, Items 0690-301-0001(1)
Chapters 23 and 55, Statutes of 2019, Items 0690-301-0001(1)*

Consider:

- a) Approving preliminary plans**
- b) Authorizing acquisition of real property rights**
- c) Authorizing the execution of any documents deemed necessary to complete the acquisition.**

STAFF ANALYSIS—2

California Governor's Office of Emergency Services
Relocation of Red Mountain Communications Site
Del Norte County

Action Requested

If approved, the requested action would approve preliminary plans, authorize an acquisition of real property rights and the execution of any documents deemed necessary to complete the acquisition.

Scope Description

This project is within scope. The Relocation of Red Mountain Communications Site project was authorized by the Budget Act of 2014 for the development of alternative communications sites to replace the existing Red Mountain communications site, which provides public safety radio communications coverage to the northwestern region of the state. The federal government has requested the state vacate the existing Red Mountain communications site by December 31, 2022, per the Six Rivers National Forest Plan. Because of delays in the completion of Real Estate Due Diligence and the extensive, prolonged negotiations with the private land owner for two of the three tower sites, the Red Mountain site is currently scheduled to be vacated by October 2023. As approved, the project includes the construction of communication towers and vaults at the following sites: (1) Alder Camp, (2) Big Lagoon, and (3) Rattlesnake Peak. Of these sites, Alder Camp is state owned and Big Lagoon and Rattlesnake Peak is owned by Green Diamond Resource Company.

Background

In 2018, unforeseen geotechnical-related activities, including the construction of a new forest road and site clearing of shrubs and trees, were required to provide access to two of the three sites (Rattlesnake Peak and Big Lagoon) to permit geotechnical/soils exploration and examination for the towers' foundation design requirements. In addition, it was determined that each site requires the construction of new access roads across Green Diamond Resource Company land, including the Alder Camp site due to the site's existing access road being unsuitable for the project's purpose. The Budget Act of 2019 provided an acquisition appropriation to fund the acquisition real property rights and allow the completion of access road improvements for each of the three sites.

The acquisition will require the execution of multiple documents, including, but not limited to, ground leases for the Rattlesnake Ridge and Big Lagoon sites, agreements under which Green Diamond's lender subordinates its lien of its deed of trust on the Rattlesnake Ridge and Big Lagoon sites to the ground leases, an easement agreement for access to the Alder Camp site, and a road construction service agreement for the construction of the new access roads on each site. Under the construction service agreement, the access roads will be designed and constructed to comply with the California Forest Practice Act. The new roads must be completed before the start of the construction phase to allow access to each site prior to the start of construction activities.

Funding and Project Cost Verification

This project is within cost. Total project costs are \$23,252,000 (\$1,517,000 acquisition, \$3,236,000 preliminary plans, \$1,261,000 working drawings, \$15,382,000 construction, and \$1,856,000 equipment). The Budget Act of 2015 provided \$2,683,000 for the preliminary plans phase, the Budget Act of 2016 provided \$1,261,000 for the working drawings phase, the Budget Act of 2017 provided \$1,856,000 for equipment, and the Budget Act of 2018 provided \$15,382,000 for the construction phase. Due to unforeseen geotechnical-related activities at the Rattlesnake Peak and Big Lagoon sites, an augmentation of \$553,000 was required to complete the preliminary plans phase. In addition, the Budget Act of 2019 provided \$1,517,000 for acquisition to complete the required road improvements to each of the sites.

\$23,252,000 Total authorized project costs

\$23,252,000 Total estimated project costs

\$21,735,000 Project costs previously allocated: \$3,236,000 preliminary plans, \$1,261,000 working drawings, \$15,382,000 construction, and \$1,856,000 equipment.

\$1,517,000 Project costs to be allocated: Acquisition

CEQA

A Notice of Determination was filed by the California Governor's Office of Emergency Services with the State Clearinghouse on April 25, 2018 and the 30-day statute of limitations expired without challenge.

Condition of Property

On June 13, 2017 and June 6, 2018, Department of General Services (DGS) staff visited the Red Mountain Relocation sites at Rattlesnake Ridge and Big Lagoon, respectively. These site visits also included a review of the access roads needed for these two locations and the Alder Camp location. DGS notes that ground leases and an easement agreement will be executed to provide necessary access to each of the three sites prior to the start of construction activities.

DGS also notes that no hazardous material use, disposal, or dumping were observed during the site visits and the potential for recognized environmental conditions is extremely low; no further investigation is recommended.

Project Schedule

Approve preliminary plans	August 2019
Complete working drawings	October 2020
Start construction	March 2021
Complete construction	October 2023

Staff Recommendation: Approve preliminary plans, authorize acquisition of real property rights and the execution of any documents deemed necessary to complete the acquisition.

CONSENT ITEM—3

DEPARTMENT OF STATE HOSPITALS (4440)
METROPOLITAN STATE HOSPITAL: CONSOLIDATION OF POLICE OPERATIONS
LOS ANGELES COUNTY

*Authority: Chapters 14, 22, and 54, Statutes of 2017, Item 4440-301-0001(5)
Chapters 29, 30, and 449, Statutes of 2018, Item 4440-301-0001(2)*

Consider:

a) Recognizing a scope change

b) Approving an augmentation

\$274,000
(9.7 percent of appropriation)
(9.7 percent cumulative)

STAFF ANALYSIS—3

Department of State Hospitals
Metropolitan State Hospital: Consolidation of Police Operations
Los Angeles County

Action requested

If approved, the requested action will recognize a scope change and approve an augmentation.

Scope Description

This project is not within scope. The approved scope consists of the demolition of five buildings and the construction of a new 18,500 square foot Essential Services Act compliant building, and related site improvements, to allow for the consolidation of hospital police services into a single location.

The requested scope change would increase the Police Operations facility to 20,700 square feet and 1) incorporate a detective unit, 2) expand the physical training area and 3) accommodate potential staffing increases resulting from anticipated increases to the forensic population as described below.

Detective Unit: In response a rise in criminal activity at the hospital, Metropolitan has developed a Detective Unit. While patrol staff have historically covered detective activities, the Department has concluded that Metropolitan, like the other four state hospitals, requires a dedicated Detective Unit to perform criminal investigations. As a result, the Department requests an expansion of 500 square feet to provide space for one sergeant and four staff.

Physical Training Room: Department staff indicates the need for an expanded training room, doubling in size from 500 square feet to 1,000 square feet, to accommodate non-lethal defense practices such as weaponless defense, arrest and control, take downs, throws, containments, and batons training. Based on the number of uniformed police staff at Metropolitan, and the space needed to safely perform such training, the initial room was undersized.

Increased staffing: A project to secure two patient buildings at Metropolitan is nearing completion, which will result in a significant increase to the forensic population, and possibly support staff including police officers. The current Project did not account for the potential increase, and while the main duties of these officers occur away from the police station, the locker areas, restrooms, report writing areas, and training areas of the facility should be approximately 1,200 square feet larger, in total, to accommodate staff.

Funding and Cost Verification

This project is not within cost. The Budget Act of 2017 appropriated \$1,327,000 for the preliminary plan phase of this project. The Budget Act of 2018-19 appropriated \$1,509,000 for the working drawing phase, with construction initially estimated at \$18,193,000, bringing overall project costs to \$21,029,000. The scope change, along with non-scope change drivers of space and cost such as increased circulation and support space, as well as the implementation of zero-net-energy, brings the overall cost to \$24,473,000. This drives a need for \$274,000 for preliminary plans (\$200,000) and working drawings (\$74,000) as the cumulative changes to the project have extended the design period by five months. In addition, the department has noted that an additional \$3,170,000 is needed for construction, of which approximately \$1.8 million is commensurate with the larger footprint of the building, and the remainder is for efficiency measures such as adding photovoltaic panels to achieve zero net energy status. .

On July 26, 2019, the Department of Finance notified the chairs of the Joint Legislative Budget and fiscal committees in each house of its intent to recommend the Board recognize the scope change and approve the augmentation no sooner than 20 days from that date.

\$21,029,000	Total authorized project cost
\$24,473,000	Total estimated project costs
\$ 2,836,000	Costs previously allocated: \$1,327,000 preliminary plans, \$1,509,000 working drawings
\$ 21,637,000	Costs to be allocated: \$200,000 preliminary plans, \$74,000 working drawings, and \$21,363,000 construction
\$274,000	Requested augmentation: \$200,000 preliminary plans, \$74,000 working drawings
\$3,170,000	Potential project deficit: \$3,170,000 construction

CEQA

The Notice of Determination was filed on April 24, 2019, and the 30-day statute of limitations expired without challenge.

Real Estate Due Diligence

A Summary of Conditions Letter for this project will be completed and any issues identified resolved prior to approval of preliminary plans.

Project Schedule

The project schedule is as follows:

Approve preliminary plans:	March 2020
Approve working drawings:	April 2021
Complete construction:	December 2022

Staff Recommendation: Recognize a scope change and approve an augmentation.

CONSENT ITEM—4

**DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)
PELICAN BAY STATE PRISON, FACILITY D YARD
DEL NORTE COUNTY**

*Authority: Chapters 14, 22, and 54, Statutes of 2017, 5225-301-0001(11), as
reappropriated by the Budget Act of 2019
Chapters 23 and 55, Statutes of 2019, 5225-301-0001 (3)*

Consider:

- a) Recognizing a scope change**
- b) Approving preliminary plans**
- c) Approving the use of inmate/ward labor**

STAFF ANALYSIS—4

Department of Corrections and Rehabilitation
Pelican Bay State Prison, Facility D Yard
Del Norte County

Action Requested

If approved, the requested action will recognize a scope change, approve preliminary plans, and approve the use of inmate/ward labor.

Scope Description

This project is not within scope. The current project scope includes the design and construction of a recreation yard on the north side of Facility D including a multipurpose field, basketball and handball courts, fitness areas, tables, a yard toilet, a drinking fountain, a storage container, and a custody observation post. The project includes work necessary to construct a recreation yard for Facility D inmates to accommodate the conversion of the yard from Security Housing Unit (SHU) housing to level II general population in 2017. Because SHU inmates at Pelican Bay State Prison previously received yard time in individually-sized yards constructed within the housing unit, there was no traditional yard for level II general population inmates at

Facility D. Now that level II inmates are housed in Facility D, it is important to provide them with recreational and physical education programs available to level II inmates housed at other prisons.

At the completion of preliminary plans, it was determined that the conceptual construction estimate had included a walking track surrounding the yard but did not include the fire access road required for code compliance. The fire road will be added to the scope of the project with an estimated cost of \$600,000.

On March 15, 2019, the Department of Finance notified the chairs of the Joint Legislative Budget Committee and the fiscal committees in each house of its intent to approve the scope change and recommend that the Board recognize this revised scope and anticipated deficit no sooner than 20 days from that date. As the 2019 Budget Act includes an appropriation covering the increased cost of this project, we are no longer requesting the Board recognize an anticipated deficit.

Funding and Project Cost Verification

This project is within cost. Chapter 14, Statutes of 2017, Item 5225-301-0001 (11), appropriated \$539,000 from the General Fund for preliminary plans and working drawings. Additionally, Chapter 29, Statutes of 2018, Item 5225-301-0001 (10), appropriated \$1,854,000 from the General Fund for construction for a total project cost of \$2,393,000. At the completion of preliminary plans, it was determined that the conceptual construction estimate had omitted the cost for the required fire access road and understated the amount of fill dirt and inmate/ward labor resources required for the project. A revised estimate was prepared in association with the completion of preliminary plans. Based on the new estimate, the current total estimated project cost is \$4,460,000, which is an increase of \$2,067,000 (86.4 percent of total project costs). The 2019 Budget Act includes a reappropriation of the working drawings phase (\$247,000), a new construction appropriation (\$3,921,000), and a reversion of the 2018 Budget Act construction appropriation (\$1,854,000). The net effect of the changes to the construction appropriations is \$2,067,000.

The increased construction costs are associated with the following:

\$4,460,000	Total authorized project costs
\$4,460,000	Total estimated project costs
\$539,000	Project costs previously allocated: \$292,000 for preliminary plans and \$247,000 for working drawings
\$3,921,000	Project costs to be allocated: \$3,921,000 for construction (\$3,173,000 contract, \$222,000 contingency, \$108,000 A/E services, and \$384,000 other project costs, and \$34,000 agency retained items)

CEQA

A Notice of Exemption was filed by the Department of Corrections and Rehabilitation with the State Clearinghouse on February 28, 2018, and the 35-day statute of limitations expired without challenge.

Real Estate Due Diligence

A Summary of Conditions Letter for this project was completed by the Department of General Services on June 15, 2018, and no issues that would adversely affect the beneficial use and quiet enjoyment of the project were identified.

Project Schedule

Approve preliminary plans	August 2019
Complete working drawings	November 2019
Start construction	December 2019
Complete construction	February 2021

Staff Recommendation: Recognize a scope change, approve preliminary plans, and approve the use of inmate/ward labor.

CONSENT ITEM—5

DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225) HEALTH CARE FACILITY IMPROVEMENT PROGRAM STATEWIDE

Authority: Sections 15819.40 (b) and (c) and 15819.401-15819.404 of the California Government Code

Consider:

- a) **Approving allocation of \$2,735,000 authority to two Health Care Facility Improvement Program (Program) projects.**
- b) **Recognizing revised project costs for two Program projects.**

STAFF ANALYSIS—5

Department of Corrections and Rehabilitation
Health Care Facility Improvement Program
Statewide

Action Requested

If approved, the requested action would approve the allocation of \$2,735,000 of authority and recognize revised project costs for two Health Care Facilities Improvement Program (Program) projects as shown in Table 1.

Scope Description

These projects are within scope. The Department of Corrections and Rehabilitation (CDCR) has statewide projects to design and construct medical, dental, and mental health treatment or housing space at existing prison facilities. Nine projects provide a range of mental health services, such as Enhanced Outpatient Program treatment and office space, Intermediate Care Facilities, psychiatric services, and mental health crisis beds. These nine mental health projects have been completed.

The Program projects are part of CDCR's strategy to address statewide prison health care system deficiencies. The Board established 25 Program projects to support health care operations by improving the infrastructure necessary to provide a variety of health care services, including primary care, specialty care, laboratory, medication distribution, pharmacy, health records storage, and related health care administration.

Funding and Project Cost Verification

These projects are not within cost. Sections 15819.401 through 15819.404 of the Government Code appropriated \$900,419,000 lease revenue bond financing authority to the

CDCR to design and construct medical, dental, and mental health treatment or housing space at existing prison facilities. The amount authorized in Section 15819.403 of the Government Code was adjusted by Chapter 44, Statutes of 2018, and appropriated an additional \$43 million to fund existing Program projects for a total authorized amount of \$943,419,000. Subsequent to this change, the amount authorized in Section 15819.403 of the Government Code was adjusted again by Chapter 37, Statutes of 2019, which appropriated an additional \$49,850,000 raising the total authorized amount to \$993,269,000. This appropriation provided \$193.1 million for nine completed mental health projects. The remaining \$800,169,000 within the appropriation has been allocated for the 25 Program projects.

To date, this appropriation has been augmented by \$187,346,000 for various Program projects (18.9 percent cumulative). At this time, CDCR is requesting to allocate additional spending authority for two Program projects for a total of \$2,735,000. Table 1 outlines the cost adjustments for each of the two projects. These adjustments stem from increases in project costs that are a result of unforeseen variables that materialized during the construction phase of these Program projects.

Table 1. Program Revised Project Costs		
Program Projects	Cost Increases	Revised Project Cost
California Men's Colony, San Luis Obispo	\$1,822,000	\$72,516,000
California State Prison, Sacramento	\$913,000	\$50,099,000
Total	\$2,735,000	

Costs have escalated for a number of reasons, as previously outlined in the Staff Analysis for the April 13, 2018 Board meeting.

CDCR is making progress on the construction of this Program. Of the 25 prisons that have Program projects funded from this appropriation, one prison was completed in 2017 and three additional prisons were completed in 2018. Two additional prisons are projected to have construction completed by June 2019. As of March 2019, construction activities for the overall Program were approximately 70 percent complete.

On July 12, 2019, the Department of Finance notified the chairs of the Joint Legislative Budget and fiscal committees in each house of its intent to recommend the Board approve the augmentation no sooner than 20 days from that date.

\$1,130,765,000	Total authorized project cost
\$1,133,500,000	Total estimated project cost
\$1,130,765,000	Project costs previously allocated: \$36,284,000 for preliminary plans, \$48,319,000 for working drawings, and \$1,046,162,000 for construction (\$694,691,000 for contract, \$42,167,000 for contingency, \$58,908,000 for A&E, \$105,163,000 for other project costs, and \$145,233,000 for agency retained items)
\$2,735,000	Project costs to be allocated: increase of \$2,735,000 for construction (an increase of \$689,000 for contract, \$796,000 for A&E, \$956,000 for other project costs, \$484,000 for agency retained, and a decrease of \$190,000 for contingency)

CEQA

Notices of Determinations were filed by CDCR with the State Clearinghouse on various dates, and the 30-day statute of limitations expired without challenge.

Real Estate Due Diligence

The Summary of Conditions Letters for these projects were completed by the Department of General Services on various dates, and no issues that would adversely affect the beneficial use and quiet enjoyment of these projects were identified.

Project Schedule

Approve preliminary plans	Various
Complete working drawings	Various
Start construction	Various
Complete construction	Various

Staff Recommendation: Approve the allocation of \$2,735,000 of authority and recognize revised project costs for two Program projects as shown in Table 1.

CONSENT ITEM—6

DEPARTMENT OF GENERAL SERVICES (7760)
SACRAMENTO REGION: R STREET PARKING STRUCTURE
SACRAMENTO COUNTY
DGS Parcel Number: 10884
Assessor Parcel Number: 006-0266-016

Authority: Chapters 23 and 29, Statutes of 2019, Item 7760-301-0666(1)
Chapters 14, 22, and 54, Statutes of 2017, Item 7760-301-0666(1)
Section 14678.7 of the California Government Code

Consider authorizing:

- a) An above market value acquisition of real property.**
- b) Execution of a Property Acquisition Agreement and other such documents as may be required to complete the acquisition.**

STAFF ANALYSIS—6

Department of General Services
Sacramento Region: R Street Parking Structure
Sacramento County

Action requested

If approved, the request would authorize an above market value acquisition of real property and the execution of a Property Acquisition Agreement and other such documents as may be required to complete the acquisition.

Background

Government Code 14678.7 authorizes the Department of General Services (DGS) to enter into one or more agreements with the Capital Area Development Authority (CADA) for the development of a new parking structure between Q, R, 8th, and 9th Streets, along the R Street corridor. The proposed project site consists of an existing approximately 38,000 square-foot state-owned warehouse located at 805 R Street, and two privately owned parcels utilized as ground-level parking lots and owned by two separate owners. The construction of this parking structure requires the acquisition of the privately owned parcels. One of the two private parcels is owned by Nishikawa Farms, Inc. (Nishikawa). The second of the two private parcels is owned by the Chan Family Trust (Chan) and it is the subject of this consent item.

A May 2018 appraisal values the Chan property between \$825,000 and \$875,000, based on the recent sale of surface parking lots considered comparable to the subject property. The acquisition price for the Nishikawa property is \$998,500, \$123,500 higher than the upper-end of the appraised value. DGS believes the \$998,500 price is reasonable because the parcel is necessary for the construction of the parking structure and because there is significant interest in property along the R-Street corridor that may cause the value of the property to increase over time.

As authorized by the Board at its October 12, 2018 meeting, the state paid Nishikawa \$25,000 to obtain an option to purchase the Nishikawa parcel for \$920,000. As presented to the Board at its October meeting, the acquisition of the Chan parcel is a condition to the Board authorizing the exercise of the option to purchase the Nishikawa parcel. The option to purchase the Nishikawa parcel for \$920,000 expires on September 30, 2019. If the option is exercised the \$25,000 will be credited to the purchase price of the Nishikawa parcel. If the option is not exercised, Nishikawa will retain the \$25,000.

The request to the Board to authorize the exercise of the option to purchase the Nishikawa parcel is being presented during this meeting as a separate Consent Item subsequent to this request to authorize the acquisition of the Chan Family Trust real property.

Funding and Cost Verification

This acquisition is within cost. The Budget Acts of 2017 and 2019 provide \$2,014,000 for the acquisition of two parcels necessary to construct the parking structure. The purchase price for the Nishikawa parcel is \$920,000. As a result, the acquisition of the Chan parcel is within costs.

The overall project is also expected to be within cost. As authorized in Government Code 14678.7, the cost of the R Street structure, excluding the acquisition of the two parcels and any financing costs, shall not exceed \$40.7 million.

CEQA

A Notice of Exemption was filed by DGS with the State Clearinghouse on October 12, 2018 and the 35-day statute of limitations expired without challenge.

Condition of Property

On June 20, 2017, DGS staff visited the parking lot next to the Employment Development Department warehouse on 8th and R street to assess the general condition of two parcels totaling an estimated 13,000 square feet within the City of Sacramento downtown area. The land is an asphalt-covered area with approximately 48 parking spaces. No hazardous material use, disposal or dumping were observed during the site visit by DGS staff, and DGS and CADA are not aware of any lawsuits pending concerning the property. The agreement requires delivery of title to the property free and clear of any mortgages and liens.

Currently, the subject property is encumbered with certain unrecorded documents in favor of 25 parking stall arrangements. However, Board staff notes there are provisions in the Property Acquisition Agreement for this property that require that those arrangements be terminated after the option has been exercised, but before the close of escrow. At this point it is unknown what relocation assistance, if any, may be applicable to these arrangements. Staff also notes that there are no historical issues and no implied dedications associated with the property

Project Schedule

The anticipated close of escrow is November 2019.

Phase I Environmental Site Assessment (ESA)

A Phase I environmental site assessment was prepared on the site area in October 2017 and updated January 2018. The findings specific to the Chan site are as follows:

- The potential for subsurface contamination at the project site at concentrations that may require statutory cleanup is low with no historic or current Recognized Environmental Concerns or Vapor Encroachment Condition.

Other

- The Board approved site selection for this property on July 17, 2017.
- The site is adequate for the development of the parking structure.

Staff Recommendation: **Authorize an above market value acquisition of real property and execution of a Property Acquisition Agreement and other such documents as may be required to complete the acquisition.**

CONSENT ITEM—7

DEPARTMENT OF GENERAL SERVICES (7760)
SACRAMENTO REGION: R STREET PARKING STRUCTURE
SACRAMENTO COUNTY
DGS Parcel Number: 10884
Assessor Parcel Number: 006-0266-017

Authority: Chapters 14, 22, and 54, Statutes of 2017, Item 7760-301-0666(1)
Chapters 23 and 29, Statutes of 2019, Item 7760-301-0666(1)
Section 14678.7 of the California Government Code

Consider authorizing:

- a) Acquisition of real property through the exercise of an option to purchase.**
- b) Execution of a Property Acquisition Agreement and other such documents as may be required to complete the acquisition.**

STAFF ANALYSIS—7

Department of General Services
Sacramento Region: R Street Parking Structure
Sacramento County

Action requested

If approved, the requested action would authorize acquisition of real property through the exercise of an option to purchase and the execution of a Property Acquisition Agreement and other such documents that may be required to complete the acquisition.

Background

Government Code 14678.7 authorizes the Department of General Services (DGS) to enter into one or more agreements with the Capital Area Development Authority (CADA) for the development of a new parking structure between Q, R, 8th, and 9th Streets, along the R Street corridor. The proposed project site consists of an existing approximately 38,000 square-foot state-owned warehouse located at 805 R Street, and two privately owned parcels utilized as ground-level parking lots and owned by two separate owners. The construction of this parking structure requires the acquisition of the privately owned parcels. One of the two private parcels

is owned by Chan Family Trust (Chan). The second of the two private parcels is owned by the Nishikawa Farms, Inc. (Nishikawa) and it is the subject of this consent item.

This requested action will authorize the exercise of an option to purchase the Nishikawa parcel for \$920,000. This option was obtained through an irrevocable option agreement between Nishikawa and the state that was authorized by the Board at its October 12, 2018 meeting. Under the option agreement, the state paid Nishikawa \$25,000.00 in order to obtain an option to purchase the property owned by Nishikawa for a purchase price of \$920,000. The \$25,000 will be credited to the property acquisition price if the state exercises its option. If the state does not exercise its option prior to the end of the option term, the option payment will be retained by Nishikawa. The option term will end on September 30, 2019.

As presented to the Board at the October meeting, authorization for exercise of the Nishikawa option by the Board is conditioned on the acquisition of the Chan parcel. The request to the Board to authorize the acquisition of the Chan parcel is being presented as a separate Consent Item during this meeting.

Funding and Cost Verification

This acquisition is within cost. The Budget Acts of 2017 and 2019 provide \$2,014,000 for the acquisition of two parcels necessary to construct the parking structure. The purchase price for the Chan parcel is \$998,500. As a result, the acquisition of the Nishikawa parcel is within costs.

The overall project is also expected to be within cost. As authorized in Government Code 14678.7, the cost of the R Street structure, excluding the acquisition of the two parcels and any financing costs, shall not exceed \$40.7 million.

CEQA

A Notice of Determination was filed with the State Clearinghouse by DGS on October 12, 2018 and the 30-day statute of limitations expired without challenge.

Condition of Property

Currently, the subject property is encumbered with certain unrecorded documents in favor of 23 parking stall arrangements. However, Board staff notes there are provisions in the Property Acquisition Agreement for this property that require that those arrangements be terminated after the option has been exercised, but before the close of escrow. At this point it is unknown what relocation assistance, if any, may be applicable to these arrangements. Staff also notes that there are no historical issues and no implied dedications associated with the property.

Project Schedule

The anticipated close of escrow is November 2019.

Phase I Environmental Site Assessment (ESA)

A Phase I environmental site assessment was prepared on the site area in October 2017 and updated January 2018. The findings specific to the Nishikawa site are as follows:

- The potential for subsurface contamination at the project site at concentrations that may require statutory cleanup is low with no historic or current Recognized Environmental Concerns or Vapor Encroachment Condition.

Other

- The Board approved site selection for this property on July 17, 2017.
- The Board approved the Irrevocable Option Agreement for this property on October 12, 2018.
- The site is adequate for development of the parking structure.

Staff Recommendation: Authorize acquisition of real property through the exercise of an option to purchase and the execution of a Property Acquisition Agreement and other such documents that may be required to complete the acquisition.

ACTION ITEM

ACTION ITEM—1

**HIGH SPEED RAIL AUTHORITY (2665)
INITIAL OPERATING SEGMENT, SECTION 1
FRESNO COUNTY**

*Authority: Chapter 152, Statutes of 2012, Item 2665-306-0890 (1) as reappropriated by the Budget Act of 2018
Chapter 152, Statutes of 2012, Item 2665-306-6043 (1) as reappropriated by the Budget Act of 2018
Chapter 25, Statutes of 2014, Item 2665-306-3228 (1)
Section 39719(b) (2) of the Health and Safety Code
Section 39719.1 of the Health and Safety Code
Section 15854 of the Government Code*

Consider the adoption of a Resolution of Necessity authorizing the use of eminent domain by the High Speed Rail Authority to acquire the following property for the High Speed Train System:

- 1. Tos Property (Fresno County)
Authority Parcel Number: FB-10-0869-1
Assessor Parcel Number: 056-090-11S**

STAFF ANALYSIS—1

High Speed Rail Authority
Initial Operating Segment, Section 1
Fresno County

Action Requested

Adopt a Resolution of Necessity authorizing the use of eminent domain by the High Speed Rail Authority to acquire a property for the High Speed Train System (HSTS).

Background

Under California Eminent Domain Law, the Board is the governing body of the High Speed Rail Authority (Authority) for purposes of adopting a Resolution of Necessity that is required for the Authority to initiate the eminent domain proceedings. To adopt a Resolution of Necessity the Board must consider that the following conditions have been met:

- (A) The public interest and necessity require the project;
- (B) The project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury;
- (C) The property sought to be acquired is necessary for the project; and,
- (D) The offer required by Government Code section 7267.2 has been made to the owner or owners of record.

The property is within the right of way for the Initial Operating Segment, Section 1, extending from Madera to Shafter, and is within the preferred alignment as previously approved by both the High Speed Rail Authority Board of Directors and the Federal Railroad Administration. Acquisition of this property will allow the Authority to move forward with construction of the HSTS.

The Authority notified the Board's staff that in October 2018, the owner was provided with a first written offer to purchase the subject property, as required by Government Code section 7267.2. The Authority has informed the Board's staff that negotiations to acquire the property are continuing; however, to keep the project on schedule, the adoption of a Resolution of Necessity to authorize the use of eminent domain is required.

On July 19, 2019, a Notice of Intent to adopt a Resolution of Necessity was mailed by Board staff to the property owner. This notice was sent in accordance with Code of Civil Procedure section 1245.235.

Property Specific Information:

1. Tos Property (Fresno County)
Authority Parcel Number: FB-10-0869-1
Assessor Parcel Number: 056-090-11S
Partial Acquisition: Approximately 2.9 acres in easement

This parcel is needed for a non-exclusive easement that provides utility access to the levee near S. Highland Avenue and south of Cole Slough.

Staff Recommendation: **Adopt a Resolution of Necessity authorizing the use of eminent domain by the Authority to acquire a property for the HSTS.**

OTHER BUSINESS

NONE

REPORTABLES

TO BE PRESENTED AT MEETING